

# The Ed Letter

EDUCATION &amp; RESEARCH SECTION



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## Workin' in a Coal Mine, Goin' Down, Down, Down

By Jim Justice  
Mineral Assessor II



On Friday, April 23, several members of the Office of Property Valuation, Minerals Branch and Tangible Section and I toured the River View mine in Waverly, Ky. River View is the largest mining operation in Kentucky. This was the first opportunity for most of us to observe a Western Kentucky mining operation and it turned out to be an exceptional trip. We were treated extremely well by mine personnel including the general manager, the safety manager and the chief engineer, who provided a thorough tour of the mine, answered a multitude of questions, and instructed us in safety issues before heading underground.

(Continued on page 2)



Pictured, left to right: Carla Briscoe, Anayansi Gomez, Jay Wallen, Jason Mills, Chris Wallace, Al Thompson, Rodney Miceli, Marianne Sullivan, James Justice and Don Pollack

(continued from page 1) Construction began on the mine in February, 2008 and production began in October, 2009. This was an extremely fast project development that included the preparation plant, slope and shaft, office and bath house, river dock, and overland belt from the mine to the prep plant. Two seams are being mined: the WKY #9 [400 ft deep] and #11 [280 ft deep], both of which are 60 inches thick. There is a shaft for personnel and materials and a slope for coal transport from each seam to a stockpile at the mine office area. The mine has five active working units, each of which include two continuous miners, two shuttle cars, one roof bolter, and a belt feeder crusher that receives the loaded shuttle car transporting the mined coal from the continuous miner to the dump. This belt feeder crushes and uniformly dumps all of the mined coal on a 42 inch conveyor belt. The working section consists of nine main headings on 80 ft square centers. Production is about 2800 raw tons per unit shift. The mine will achieve a production level of approximately six million clean tons by the end of 2010.



L-R, Jay Wallen and Anayansi Gomez



L-R, Anayansi Gomez, Carla Briscoe, Marianne Sullivan and James Justice

We were surprised to see so much technology in all of the facilities, both underground and on the surface. All production is monitored by computers. Reports of the actual tons mined during any shift is shown on monitors in the office outside. This same monitor shows which mining unit is running coal at any given time in the shift. The use of remote control was seen in the mine on the continuous mining machine. The miner operator controls the miner with a radio remote controller so that that he may stay in a safe, roof-supported area and out of the coal dust generated when the coal is being cut. The roof-support cycle is accomplished by two men installing six foot steel rebar cemented to the hole drilled with resin. This cycle has roof supports that temporarily maintain a safe roof in the area where permanent roof bolts are being installed so that the roof bolt crew is always protected by a supported roof.

The preparation plant was state-of-the-art with heavy media cyclones and centrifugal dryers. Rejects were 35 percent of the raw feed and clean coal loaded into 1500 ton barges averaged 10,500 BTUs, with sales going as far north as Pittsburgh.

Thanks so much to everyone at River View for treating us to wonderful hospitality and providing a very educational experience.



## *The 2010 Kentucky Conference on Assessment Administration*

### **December 7-10**

**Please call (502) 583-1234  
to make reservations at the special  
conference rate of \$93 per night.**

*[www.thebrownhotel.com](http://www.thebrownhotel.com)*





# PVA Administrative (YOUR) Support Branch



The State Personnel Health Insurance Branch has contracted with Chapman Kelly Inc. for the purpose of conducting a verification audit. This audit will determine eligibility for all dependents currently covered on members' health insurance plans. These requests for documentation, which include a unique deadline for each recipient, are being sent to all personnel with dependents. If the requested documentation is not returned to Chapman Kelly Inc. by the prescribed deadline, the dependent will be dropped from the plan effective December 31, 2009 and will not be eligible for coverage until the next open enrollment. Documentation will be required at that time. If a dependent is dropped and claims have been paid for that dependent, the employee will be required to repay all claims.

## 2010-2011 PVA Annual Budget Packets

have been emailed to all counties. These are due on June 1, 2010. The Vehicle Form must come back even if the county does not have one, please mark "Not Applicable" sign and date.

If you have not received this email, please contact us at (502) 564-5620.

## 2009-10 Shortfall Billing and Deputy Hire Billing Forms

have been emailed to all counties with an outstanding balance. Both of these forms were due by May 31, 2010. When sending payment, please use the memo line to indicate the purpose of the payment.

- ♦ There are 3 counties that still owe "OX" Billing as of May 26<sup>th</sup>.
- ♦ The PVA Support Branch and PVA Association are planning a PVA Personnel and Classification Committee. The committee will meet after the PVA Summer Conference to discuss your ideas, concerns, and comments concerning the current 'Fiscal and Personnel Administration Manual and/or anything related to personnel, hiring or necessary updates. If you would like to share your concerns with the committee, please contact us at (502) 564-5620.
- ♦ If you fax or email an RPA, you are still required to mail the original to us at PVA Administrative Support, PO Box 1463, Frankfort, KY, 40602.



Cyndi Abrams, (502) 564-6937  
Casey-Graves, McCracken-Woodford

Angel Thompson, (502) 564-6938  
Adair-Carter, Grayson-Lyon

JoJuana Leavell-Greene, (502) 564-6936  
Branch Manager

Donna Seeberger, (502) 564-6946  
Payroll and Employee Benefits

# Taxation of Real Property at Public and Private Airports

Airports play an important role in driving economic development in Kentucky. Nearly every county in our great Commonwealth has a private or public airport or both.

Many private individuals and businesses of all kinds conduct business activities at airports. In doing so, most of these airport tenants have secured real property through various lease arrangements or direct purchase. Private individuals and businesses that own and/or lease real property located at a Kentucky airport are subject to property assessment and taxation. The Property Valuation Administrator (PVA) is responsible for the identification and assessment of this property.

**Please be aware that commercial airlines and charter airline companies engaged in the transportation of passengers and cargo for compensation are centrally assessed as public service companies by the Office of Property Valuation. Real property owned and/or leased by these specific companies would be excluded from the PVA's tax roll.**

Real property rentals found at your airport will most commonly include hangars, buildings, office space, terminal space and surface land. More specifically real property rentals will include the following:

Airside Terminal	Hangar	Office space	Tarmac Land
Apron	Hold Room	Operations space	Terminal space
Baggage Claim Space	Kiosk space	OPS space	Ticket counter space
Concourse Space	Land	Ramp space	Warehouses
Gate & slot space	Landside Terminal	Repair Shop	
General Office Space	Lounge & club space	Shuttle space	

## Assessing Guidelines

- Unless there is a specific exemption, the real property would be subject to full state and local taxation under KRS 132.190, KRS 132.193 & KRS 132.195. The only exception to this rule would be if the property qualifies under the Industrial Revenue Bond (IRB) provisions. If so, the real property would be subject to a \$.015/100 state rate only. KRS 132.020 and KRS 132.200
- All owned and leased real property located at a *private* airport is subject to real property taxation. The owner (lessor) and/or lessee may be held responsible for the tax.
- All real property leased to a private entity located at a *public* airport is subject to real property taxation. All owned real property secured by a private entity, located at a *public* airport, is also subject to real property taxation.
- Contact the airport manager to obtain a year-end tenant report that contains a complete listing of all real property leases for all tenants at the airport. This report should contain the operating annual lease payment, tenant name and address, and terms of the lease agreement (square footage leased, length of lease). *Be sure that the lease payment clearly identifies and separates the operations, maintenance, security and landing fee charges from the annual payment.*
- Determination of assessment may be made using a conversion factor (gross rent multiplier) of eight times the annual lease payment.
- The PVA is also responsible for the assessment of all personal property situated and owned by these airport tenants!

# 2010 Class Update

The following classes are full:

**KY 10, July 12-15 • KY 40, July 26-29 • KY 60, July 19-22**  
**KY 60, Sept. 13-16 • IAAO 101, Sept. 20-24**  
**IAAO 400, Aug. 9-13 • IAAO 500, July 12-16**

To be placed on standby for one of these classes, or for assistance with registration/cancellation, please contact Stacy Bush at (502) 564-5118 or [stacy.bush@ky.gov](mailto:stacy.bush@ky.gov).

## Classes Approved for Training Credit

KACo and KREAB-approved classes (not including online courses) do not require the prior approval of the Office of Property Valuation.

The Office of Property Valuation has identified an online conference registration program and is considering its use for the 2010 Fall Conference in Louisville. We'd like to know what you think about online registration. Please send your comments to [Stacey.Ewalt@ky.gov](mailto:Stacey.Ewalt@ky.gov).

## Fall Conference Registration

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# Checklist for Recapitulation

When completing your recap, please remember to use the "Checklist for Recapitulation". This document may be found on the PVA Network at [revenue.ky.gov/PVANetwork/lv.htm](http://revenue.ky.gov/PVANetwork/lv.htm).



# Meet the Minerals Severance Tax Section

Happy 80th  
birthday to  
Jim Justice!

The Minerals Severance Tax Section, more commonly known as the unmined coal group, is responsible for the assessment of unmined coal reserves for property taxation and the administration of the coal severance tax. The unmined coal group came into existence during the late 1980's with the Kentucky Supreme Court ruling that coal must be taxed at the same rate as other real estate for property tax purposes.

The unmined coal section is composed of a supervisor, **Randy Murray**, and six expert assessors all of whom are mining engineers, geologists or appraisers. This group of assessors consists of **Jim Justice, Al Thompson, Don Pollock, Randy Moore, Jim Ashcraft** and **Jay Wallen**. This group is responsible for gathering information related to coal property and ownership, entering return information, generating annual assessments with the assistance of a sophisticated GIS system developed to map reserves throughout the state, producing assessment notices, working taxpayer protests, and generating the tax bills for distribution by the county sheriffs. The group works very closely with the geoprocessors who keep the GIS system updated.

The Minerals Severance Tax Section also administers the coal severance tax program. **Lori Detwiler** primarily handles this tax which generated more than \$290 million last fiscal year, half of which is distributed back to coal producing counties. Lori is responsible for entering the monthly returns, preparing monthly and quarterly reports, billing and correspondence, as well as monitoring for taxpayer compliance. She has also devoted extraordinary time and effort assisting with the development and implementation of the CTS system for the past several months. The CTS system is to be expanded to all Department of Revenue taxes, but coal severance tax was selected to be the first to implement the system.



Lori Detwiler



*Pictured from left:*

Jay Wallen, Randy Murray,  
Randy Moore, Jim Ashcraft,  
Al Thompson & Jim Justice.

# ...Getting to Know...



**Roger Tomes**, Grayson County PVA, was born in Grayson County. Roger has two children (twins), Aaron Tomes and Alison Ford, who are 26 years old. He also has two step-grandchildren and a new granddaughter on the way in September.

From age 12 to 16 Roger worked at a golf course driving range. Before becoming a deputy in the Grayson Co. PVA office in January 1994, he worked for 21 years at a family hardware business. At the age of 51, Roger graduated from Western Kentucky University.

Roger's plans for the future include farming, baby-sitting his grandchildren, and watching UK basketball. Roger says the most surprising thing he has learned since becoming PVA is that as long as taxpayers are treated fairly, most don't mind paying taxes.

**Q** What was the last movie you saw at the theater?

**A** *O Brother, Where Art Thou*

**Q** If you were left on a deserted island, what three things would you need to survive?

**A** The Bible, chocolate milk and a television.

**Q** What tv or movie character is most like you?

**A** Leroy Jethro Gibbs from NCIS .

**Q** What profession other than your own would you like to attempt?

**A** A school teacher.

**Q** If you could have dinner with any three people—living or dead, real or fictitious—who would you choose?

**A** King Solomon, Ronald Reagan and John F. Kennedy.



**Harlan County PVA Felicia Wooten** was born in Harlan County (where else?) She has one son, Derrick, who is 27 and one grand-dog, Jasmine. Felicia started in the PVA office in 1991 with the Emergency Reassessment Project and has done just about everything in the office — measuring houses, mapping, assessing and more. This is her first term as PVA.

Before starting with the PVA office Felicia worked as a waitress, a convenience store clerk, and even as a salesperson in a shoe store. Thank goodness Jeff Kelley wasn't looking for flip flops back then! She hopes to run a half marathon before she hits 50. She's waiting on some grandkids to help her train. When asked what is the most surprising thing she's learned since becoming PVA, Felicia replied "This is a newsletter not a book, right?" And one more thing you might not know about Felicia: she loves to fish, but can't take the fish off the hook.

**Q** What profession other than your own would you like to attempt?

**A** I always thought I wanted to be a nurse, but I get sick at the sight of blood, so I guess I better stick with PVA.

**Q** Have you ever been snipe hunting?

**A** No, but I shot 20 for 21 with my 38 and 10 for 10 with the instructor's Glock when I got my carry concealed license.

**Q** Do you play an instrument?

**A** The flute.

**Q** If you were left on a deserted island, what three items would you need to survive (not including food)?

**A** DENTAL FLOSS is number one, Fresca and my laptop.

**Q** What television or movie character is most like you?

**A** I don't know that I'm like any of them, but I've been told that I look like Meg Ryan.



# July 2010

July 8, Public  
Relations/Customer  
Service, KSOB

July 12, KY 10, KSOB

July 12, IAAO 500,  
Holiday Inn Express,  
Frankfort

July 19, KY 60,  
Barren River  
State Park

July 26, KY 40, KSOB

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5 Independence Day (observed)	6	7	8 PR/Cust Service	9	10
11	12 KY 10 IAAO 500	13	14	15	16	17
18	19 KY 60	20	21	22	23	24
25	26 KY 40	27	28	29	30	31

# August 2010

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2 KY 80	3 Managing Employee Performance	4	5	6	7
8	9 KY 62 IAAO 400	10	11	12	13	14
15	16 KY 90	17	18	19	20	21
22	23 IAAO 601	24	25	26	27	28
29	30	31	1		IAAO ITW	
IAAO Conference (Orlando, FL)						

August 2, KY 80,  
KSOB

August 3, Managing  
Employee Performance,  
KSOB

August 9, KY 62,  
KSOB

August 9, IAAO 400,  
General Butler  
State Park

August 16, KY 90,  
KSOB

August 23, IAAO 601,  
Holiday Inn Express,  
Frankfort